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C O N F I D E N T I A L SECTION 01 OF 03 SARAJEVO 002518

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DEPARTMENT FOR EUR(A/S FRIED AND DAS DICARLO) AND EUR/SCE (HOH/FOOKS/STINCHCOMB); NSC FOR BRAUN; OSD FOR BEIN

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SUBJECT: BOSNIA - LAJCAK BRIEFS QUINT AMBASSADORS ON NEXT
STEPS IN BOSNIA

Classified By: Ambassador Charles English. Reason 1.4(b) and (d).

11. (C) SUMMARY: High Representative Lajcak briefed Quint Ambassadors on November 21 about the current political crisis and his plans for managing it. Lajcak told the Quint that he plans to attend the November 22 meeting of governing-coalition political party leaders hosted by Bosniak member of the Tri-Presidency Haris Silajdzic. He will encourage them to support a police reform proposal that Silajdzic will table, which provides a timeline for implementing the Mostar Declaration. Lajcak speculated that if party leaders sign up to Silajdzic's proposal, it could open the door for the EU to initial a Stabilization and Association Agreement (SAA) with Bosnia. Lajcak will also offer Republika Srpska (RS) PM Milorad Dodik another face saving opportunity to accept Lajcak's October 19 imposition of a measure designed to improve the functionality of the Council of Ministers (CoM). Lajcak told the Quint that he is prepared to postpone imposition of the new rules of procedure for the Parliamentary Assembly (PA) provided there is a constructive negotiation underway among political parties to craft rules consistent with Lajcak's October 19 and party leaders request it. Postponement could put off an immediate crisis in Bosnia as we enter the Kosovo end game, but there are risks associated with this approach as well. There is no guarantee that Dodik will not escalate the crisis anyway or that Silajdzic and the Bosniaks acquiesce in what they will perceive as caving in to Serb demands. As we decide on next steps, we should remember that Balkan leaders do not always act rationally, even in the face of overwhelming evidence about where their long-term interests lie. END SUMMARY

November 22 All Party Meeting

12. (C) On November 22, Silajdzic will host a meeting of Bosnia's six coalition party political leaders in Sarajevo. The gathering is a follow-up to the party leaders' October 28 meeting in Mostar, which produced the so-called Mostar Declaration on police reform. (Note: The declaration is a political agreement confirming that police reform in Bosnia will be in line with the 3 EU principles and that the final police structure will reflect Bosnia's constitutional structure based on relevant provisions of a yet-to-be completed constitutional reform process. End Note) We have been told by Silajdzic's staff that he plans to present party leaders with a draft police reform implementation plan, but will not raise constitutional reform. (Note: Party leaders had agreed in Mostar that constitutional reform would be the main topic of discussion for their next meeting. End Note)

The HighRep told the Quint that Silajdzic had briefed him on his proposal and confirmed that there had been exchanges between OHR staff and Silajdzic's staff about it.

Police Reform Proposal: The Specifics

 $\P 3$. (C) The implementation plan will propose that the Council of Ministers (CoM) establish by December 15 a state-level body charged with implementing the Mostar Declaration. would take place in two phases. By June 15, 2008, the Parliamentary Assembly would adopt a series of laws that create state-level police structures, such as a forensics institute, a police academy, and independent police board, and a police support agency. The second phase of reform would involve establishing a state-level police service and establishing local police districts, but would not be adopted until constitutional reform had been completed. Silajdzic's proposal calls for completion of the second phase within three years. Silajdzic's staff told us that they believe this proposal is sufficient to allow the EU to initial a Stabilization and Association Agreement (SAA). Silajdzic's Legal Advisor, Damir Arnaut, said it was unclear whether RS PM Dodik would accept it, adding, "that was up to Belgrade and the Russians.

Lajcak Will Give Dodik Another Out on CoM Measure

14. (C) Lajcak told the Quint that legal talks between OHR and the RS on his October 19 measure to facilitate decision-making within the CoM had now exhausted legal avenues for addressing RS PM Dodik's professed concerns about

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the measures. According to Lajcak, the RS legal team admitted at the last meeting (November 19) that RS concerns with the measure were political, not legal. Nonetheless, OHR had agreed to a fifth round of talks on November 27 in Banja Luka. Lajcak plans to attend the November 22 all-party meeting, and he will propose that Dodik accept the COM measure along with an "authentic interpretation" of it that would address his professed legal concerns, and a just-drafted "political declaration" signed by leaders of the governing parties committing themselves to "act in good faith" within the COM. Lajcak told the Quint that he had not yet secured a commitment from other party leaders to sign the declaration, but his private exchanges with them suggested that they would agree to do so. Lajcak warned that Dodik might reject this face saving way out of the crisis, just as he has OHR's earlier offers.

Postponing Imposition of the Parliamentary Assembly Measure

- 15. (C) Lajcak reported that the supposed deal among the speakers of the state-level House of Representatives (HoR) on new rules of procedure fell short of what his October 19 announcement required. (Note: The three speakers are known collectively as the Collegium. End Note) While the agreement met Lajcak's requirements for defining a quorum and the work of the Collegium, it was not consistent with the HighRep's requirement that the new rules ensure that MPs could block the passage of legislation by not attending a session of the HoR. The deal also did not include the House of Peoples (HoP), which also must amend its rules by December 1. The HoP's Collegium has yet to meet. Nonetheless, Lajcak was encouraged that the HoR Collegium had begun to negotiate. He urged Quint members to urge party leaders to keep this process alive. (Note: The Ambassador is meeting separately with all three members of the Collegium on Thanksgiving to do just this. End Note)
- 16. (C) Continuing, Lajcak said that if constructive negotiations were ongoing, and if party leaders asked him for additional time for these talks, he was prepared to postpone

impositions of the Parliamentary Assembly (PA) measures. (Note: On October 19, Lajcak gave the HoR and HoP until December 1 to amend their procedures. End Note) Lajcak speculated that the Serbs and Croats would welcome the additional time - the Serb because they were genuinely concerned about the measure and the Croats because they did not care one way or the other. The Bosniaks, who strongly support the HighRep's proposals, might balk, if they concluded that meaningful negotiations required watering down the measures to placate the Serbs. Lajcak was quick to add that he was not prepared to concede on substance, but was willing to allow the process to drag out given that "this appeared to be Quint capitals' preference."

Comment

- 17. (C) If a party leaders agree to a police reform implementation plan on November 21, it would fall well short of the police reform goals enunciated in 2005, but it could provide the EU with an excuse to initial an SAA. Lajcak said that he would "personally" recommend initialing the SAA once the COM established the state-level body charged with implementing the Mostar declaration called for in Silajdzic's proposal (i.e. December 15). The SAA could be signed sometime around June 15, 2008 the deadline Silajdzic's proposal sets for passage of the initial set of state-level laws on police. Initialing an SAA could lower the political temperature in Bosnia, but it is unlikely to transform the country's stubborn ethnic politics. The Bosnian state still lacks the basic level of autonomy and credibility required to sustain it, let alone implement an SAA, and the EU has not demonstrated the ability or willingness to use the prospect of EU membership as a consistent or effective driver of reform
- ¶8. (C) Postponing imposition of the PA measures could put off an immediate crisis in Bosnia, while we seek to resolve Kosovo. This would allow us more time to prepare for a confrontation with Dodik, particularly to ensure agreement with Europe on a set of meaningful, robust measures should he escalate the current crisis. If Dodik's intention is to

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pursue RS independence, a delay could also force Dodik to escalate in the context of Kosovo independence. It would be easier for us to rally Europe and others to confront him these grounds than on a confrontation over complicated legal documents on parliamentary procedures. A strategy of delay is not without its risks, however. Dodik could use the COM measures as a pretext to escalate even if imposition of the PA measures is delayed. One constant in the political crisis has been a regular upping of the ante by Dodik. A delay would also damage the HighRep's and international community's credibility, but if the delay is short (i.e., Kosovo does not slip past mid- to late-January), the damage could be minimized. We need to keep in mind that Bosniaks in particular, disillusioned by what they will perceive as acquiescence in the face of Serb demands, could react, provoking a new existential crisis in Bosnia. ENGLISH